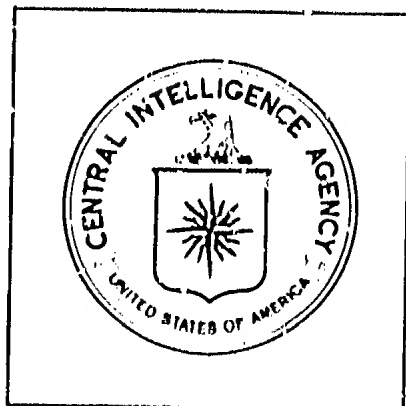


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Cuba To Purchase Soviet Reactors: According to the official Cuban News Agency, Prensa Latina, the Soviet Union will aid Cuba in building its first nuclear power plant. The plant, part of a 5-year development program ending in 1980, will contain two reactors and will produce 1,000 megawatts of electricity. The announcement stated that Cuba will receive both material and technological assistance in construction of the reactors. [REDACTED]

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Comment: This is the first firm evidence of the Soviets supplying nuclear reactors to Cuba. The type of reactor most likely will be the Soviet VVER-440 pressurized water reactor (PWR), the only type exported by the Soviet Union. The VVER-440 has an installed capacity of 440 MW of electricity. At the present time, the Soviet VVER-440 reactor does not include safety features such as a containment system and an emergency core cooling system. It remains to be seen if Cuba will try to obtain these two safety features for their reactors from a Western supplier, as was done by Finland which purchased an ice condensor containment system from Westinghouse.

[REDACTED]

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Maintenance of Japan's Domestic Basic Industry Depends on New Technology: According to the Industrial Policy Committee of the Federation of Economic Organizations (Keidanren), Japan should, despite its slowing economy, maintain and rebuild its heavy and chemical industries, and thereby continue to be a major "industrial production center". Technology should be the key to overcoming the many restrictions that now exist. The machinery industry should be the focus for improving the industrial structure, along with greater specialization and coordination by small enterprises. The Keidanren (Industry) view is seen by some observers to conflict with that of the government's Ministry of International Trade and Industry (MITI), which has recommended that the basic industries be scaled down to reduce energy consumption. [REDACTED]

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Comment: Until recently, the Japanese government has strongly encouraged the growth of heavy and chemical industry. But, with the energy crisis and intensifying environmental problems, the government has proposed for its long-range economic plan a new industrial structure based on the expansion of heavy industry abroad and on the promotion of smaller domestic nonpolluting science-based industries. The Keidanren's opposition to this policy is probably limited only to the curtailment of heavy industry at home. The government is expected to continue with this plan.

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To alleviate energy and environmental problems at home, the government and industry have stepped up support to the development of new efficient and clean industrial processes. Japan's patents in this field have increased significantly and important new industrial systems have been introduced at home and sold abroad, e.g., new steel making methods. In applying this new technology, Japan eventually could remove some of the restrictions now imposed on the growth of its domestic basic industries, perhaps permitting Keidanren's policy to be adopted. Other countries also stand to gain much from Japanese developments in pollution control and in other new industrial techniques.

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Pollution Control Measures in Japan May Cause Economic Hardship: Interim auto emission standards passed by the Government of Japan probably will affect the sale of large motor vehicles. These standards are of particular concern to US auto manufacturers, but they also will affect Japanese large car manufacturers such as Nissan. Since the Miki government is under growing public pressure to "do something" about pollution, the new emission standards will probably go into effect as planned despite high level approaches seeking modification of the standards.

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Comment: The Miki government has made a decision to enforce strict emission standards despite the probable adverse economic affects to both domestic and foreign automotive industries. This action is in sharp contrast to other major industrial powers, most of whom are tending to delay implementation of pollution abatement laws because of the current economic down turn.

Japan was pressured by the public to make such policy. The pressure was centered on the high Japanese population density and limited fresh water and land resources which have dramatically intensified pollution problems. Until the quality of the Japanese environment has been improved sufficiently to convince the general population that health hazards no longer exist, the Japanese can be expected to continue stringent auto emission and other pollution abatement policies.

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